Networks of Greed

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Source: *Justice, Power and Resistance* Volume 1, Number 1 (April 2017) pp. 3-23

Published by EG Press Limited on behalf of the European Group for the Study of Deviancy and Social Control electronically 10 October 2017

URL: http://www.egpress.org/papers/vincenzo-ruggiero-networks-greed

Website: www.egpress@org Email: egpressproduction@outlook.com

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Vincenzo Ruggiero[1]

Abstract

Focusing on the grey areas in which white-collar crime joins and overlaps with conventional forms of organised criminality, the author identifies 'networks of greed' formed of individuals and groups from diverse social backgrounds and subcultures. Such grey areas thrive irrespective of booms and slumps and contain money laundering, tax evasion and bribes. A critical analysis of these three forms of financial crime is provided along with the description of the networks within which they take place.

Introduction

Classifications of financial crime describe the different forms of fraudulent behaviour in the context of market activities. A conceptual distinction is made between financial statement fraud, financial scams and fraudulent financial mis-selling (Gottschalk, 2010; Reurink, 2016). The prevalence of one form of fraud over the other is thought to depend on the market segment in which it occurs and the actors involved (Harrington, 2012). Not always do such classifications link the frauds perpetrated within the criminogenic environment in which they originate, in this way reiterating a long tradition which oscillates between blaming particular individuals or their victims.

In the seventeenth century, for instance, the culprits of the ruinous outcomes of financial activity were identified as unscrupulous traders manipulating the market. The stigma, however, was also attached to ordinary investors, who gambled in finance while shunning honest toil and engaging in sinful drinking. In the eighteenth century, responsibility for financial collapse was laid upon employees and predatory insiders of otherwise honest institutions, but also imputed to fraudsters setting up phony stock companies overnight to then quickly run with the money in the morning. Crashes were accidents, like those inadvertently provoked by gentlemen running over

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pedestrians while riding their horses (Ruggiero, 2017). Whether ineluctable natural events or acts of individual pathology, crises were also deemed part of economic growth, which needed dangerous and expensive experiments in order to progress. Prudence was still perceived as a virtue, but virtuous people were deemed lackluster individuals, devoid of charm. Conversely, transgressors were regarded as imprudent creators.

As the eighteenth century drew to its close, the blame for financial delinquency shifted more emphatically towards its victims, namely rash and greedy investors (Galbraith, 1987; Kindleberger, 2002). Legislation, it was remarked, could not protect fools from folly. Soon after, however, unorthodox operators were included among the range of 'criminaloids', a class of individuals neither solidly honest nor dishonest, just imitators of wealthy people whose behaviour followed a cascade principle (Lombroso, 1976; 1902). The nineteenth century, the century of scientific examination of crime and criminals, offered glimpses of corrupt elites, adventurous bankers and robber barons. Later, the return of the 'criminaloid' marked the first attempts to formulate a concept of white-collar crime (Ross, 1907; Bonger, 1916, 1936). Criminologists identified a form of structural immorality and looked at financial delinquency through the study of managers, the morally unbound characters servicing organizations. This type of immorality was incorporated in Sutherland's (1940; 1983) notion of differential association, according to which a person becomes delinquent because of an excess of definitions favourable to violation of law over definitions unfavourable to violation of law.

This paper addresses financial crime from a different perspective. It focuses on the grey areas in which white-collar crime joins and overlaps with conventional forms of organised criminality, namely those areas characterized by 'networks of greed' formed of individuals and groups from diverse social backgrounds and subcultures who, nevertheless, adopt the same illicit techniques and rationalizations.

What emerges from the perspective adopted here is the relevance of critical criminological concepts, which indicate that socially harmful acts transcend statutory definitions of crime, that power relations determine criminal designations and that criminalisation processes are embedded in social inequality.

Financial crises, crashes and bubbles may be endemic or cyclical, they may follow regular or unpredictable patterns, or also be determined by intermittent periods of optimism or gloom. Untouched by the vagaries of markets, the grey areas examined here continue to thrive irrespective of booms and slumps: these areas host money laundering, tax evasion and bribes. In the following pages a critical analysis is attempted of the three forms of financial crime, focusing on the characteristics of the networks within which they take place. Mathematical morality, mobility, hybridity and fuzziness are among the variables discussed. Two recent notorious cases may help throw some light on the arguments presented and provide the backdrop for the analysis to be formulated.

Panama and Belize

Case 1. The leaking of millions of documents revealed details of operations conducted over forty years in offshore tax havens. The Panamanian law firm Mossack Fonseca was at the centre of the revelations, which provided information about some seventy current or former heads of state and their tax evasion. Iceland's Prime Minister resigned, while Vladimir Putin's circle was proven to engineer unorthodox, wealth-acquisition mechanisms. Representatives of FIFA (the International Football Federation) were also listed in the documents. Mossack Fonseca, initially, claimed to be shocked by the way the services it offered had been abused by customers, but was also surprised that offshoring arrangements were so vulnerable to investigative journalism and, perhaps, to prosecution (Leith, 2016). British and London-based banks emerged among the most active customers of the Panama firm: HSBC, Coutts, Rothschild and UBS being among the top ten banks who set up around 15,600 shell companies to help clients conceal their finances. HSBC had been fined £28 million in 2015 for allowing customers to launder money in its Swiss private branch, while in Panama it set up more than 2,300 offshore companies. Its chief executive was among the customers of Mossack Fonseca, which concealed his pay and dealt with his tax affairs. Coutts, the private arm of publicly-owned Royal Bank of Scotland, set up 500 paper companies through its Jersey agency. UBS, the Swiss group with most of its investment banking operations in the City of London, set up more than 1,300 offshore companies. The Luxembourg International Bank was involved through Experta, which offers corporate and trust services, while other British-based institutions included Credit Swiss Channel Island and Rothschild Trust Guernsey (Goodway, 2016).

The Panamanian firm also laundered money derived from notorious bank robberies and other organized criminal activities. Fonseca's customers avoided paying tax by hiring Bahamas residents as fronts. UK Prime Minister David Cameron and his father Ian appeared in the leaked papers, along with six members of the House of Lords, three former Conservative Members of

Parliament and dozens of donors to UK parties. Ian Cameron was a director of an investment fund named (how ironic!) *Blair*more Holding Inc, which had among its customers an adviser of Robert Maxwell and the Rolling Stones. In thirty years, Blairmore never paid a penny of tax in the UK on its profits (Garside, 2016).

The British Virgin Islands continued to licence Mossack Fonseca despite knowing the firm was unable to establish who owned the companies on its books, while a British banker set up a secret offshore finance company allegedly used by North Korean leaders to assist in arms sales and the expansion of its nuclear weapon programme. The revelations also affected Ukraine's president Poroshenko, who was elected in 2014, in the aftermath of the political upheaval in the country that led to the annexation of Crimea and open conflict with Russia. While the war was taking place, Poroshenko moved his assets into an offshore company in the British Virgin Islands. The leaks also contained information about how some leaders from a number of countries used charitable foundations and other firms registered in Panama to anonymously own mining companies and real estate (Schmidt and Lee Myers, 2016).

Case 2. One of the oldest banks in Central America was established in 1902 in what was then British Honduras, now known as Belize. The bank operated as a branch of the Royal Bank of Canada and traded extensively across the Caribbean region. In 1987, Belize Bank International (BBI) was bought by Michael Ashcroft, the son of a British colonial administrator, who advised the local government on how to turn the country into an offshore financial centre. After being granted a thirty-year special tax break, the bank attracted liquidity from all over the world (Bowers, 2016). A major investigation by US authorities is underway, aimed at ascertaining whether the bank was, and still is, used by US citizens to hide assets and evade tax. Because the Belize Bank International may not know which accounts are owned by US persons, it may be forced to disclose all its clients, irrespective of nationality. Like all offshore banks, BBI operates through correspondent financial institutions, based in the US and elsewhere, that provide services and process transactions. If the accounts in correspondent institutions are shut off, the offshore bank is out of business and all customers' deposits are frozen. Among the correspondent institution linked to BBI are Citibank and Bank of America. According to the International Monetary Fund (IMF), the investigation resulted in the loss of correspondent banking relationships, causing destabilizing effects on the financial and economic stability in the Caribbean region. In response, Prime Minister of Belize, Dean Barrow, proposed that the region could establish its own banks in the US and establish correspondent relationships with them. Alternatively, the banks of the region, through mergers, would have to achieve a critical mass to make the Caribbean's banking industry more attractive to financial institutions in the US and across the world (Ramos, 2016). This is an investigation that is highly embarrassing for the UK government as the bank is owned by a former deputy chair of the Conservative party and one of its most generous donors. Investigators are basing their work on a voluminous file composed over the last ten years which lists, among the bank's customers, tax dodgers and members of transnational criminal organizations (ibid).

Illicit finance

Tax evasion, bribes and money laundering are intertwined in the cases reported above, a circumstance suggesting that canonical distinctions between white-collar and organized criminals should, to say the least, be revised. The distinction, however, has severe implications for the institutional responses commonly addressed to both. Let us see why.

The fight against illicit finance is shaped by its very origin, namely by its polarized concern towards funds deriving from conventional criminal activity. In the popular imaginary, but also in official rhetoric, is it not easy to dissociate money laundering from the war on drugs, with the result that the fight against dirty finance continues to convey an image of clean but vulnerable financial institutions being soiled by contaminating criminal attacks. The ambiguity of this image is compounded by official efforts to curb the monetary operations conducted by terrorist groups, which are increasingly described as violent entrepreneurs rather than religious or political combatants.

In contrast to popular or official rhetoric, a growing number of cases like the ones presented above fall into the realm of corruption and tax evasion rather than in that of organized crime and terrorism, suggesting a proliferation of money-laundering strategies that can respond to differentiated demand. White-collar and organized criminals, in brief, inhabit the same arena in which illicit financial operations are carried out (Platt, 2015; Ruggiero, 2017).

There are professional money launderers whose number and range of customers is unknown. There are members of organized criminal groups who stay away from financial institutions and opt to invest their proceeds in further illegal activity or in mere consumption, not necessarily conspicuous. Moreover, the findings of some specific research on money from drugs disprove the transnational nature of the laundering process, which appears mainly to remain a local endeavour (van Duyne and Levi, 2005). When criminal profits are inserted into the official economy, for example in the construction sector or through the acquisition of real estate, fronts unrelated to the illegal underground are used, including businesses experiencing difficulties. Such businesses may ultimately be appropriated by criminal groups as their original owners become insolvent and, at the same time, subject to blackmail threats. A portion of criminal proceeds, on the other hand, finds its way into the bank accounts of accomplices in the economic sphere as well as in political circles, so that the task of laundering is entrusted to official actors who are normally more successful in such operations. In this way, it becomes nearly impossible to ascertain whether the funds being laundered originate from organised criminal activities or from corrupt economic and political initiatives.

Intermediary figures in the financial world offer services to a range of customers, from the underworld as well as the upperworld. Their ability consists in accelerating the mobility of money rather than assessing their origin, also because they, in turn, may interact with other intermediaries linked in a relatively long and tangled chain. Lawyers and accountants are components of this chain and often act as ‘enablers’, whether in an active or passive fashion (Middleton and Levi, 2015). The source of the funds being laundered tends therefore to fade in a vortex of moves that protects deals and transactions: mobility means that the culpable are never found on the crime scene. This characteristic, which is commonly attributed to white-collar criminals, may well denote the operations of conventional criminals in the financial world.

Officially triggered by the urge to fight drug traffickers and seize their profits, anti-money-laundering measures, while criticized for obstructing business (Gill and Taylor, 2004), have proved unable to separate the revenues of organized crime from those of white-collar offenders. Such measures, perhaps unwittingly, encouraged in fact the connubial unification of the two. As a result, the traditional caution, uncertainty, timidity and fear in dealing with white-collar offenders may well extend to the treatment of conventional criminals, as money laundering, perpetrated by indistinct actors, is one of the few activities ‘that connect Al Qaeda, Colombian drug dealers, Credit Suisse, and Enron officers’ (Levi, 2014: 439). In brief, the effects of this specific kind of financial crime are not confined to the business sphere, but spread to the criminal business world, exerting a tantalizing attraction on illicit entrepreneurs. It is a type of financial delinquency that provides motivations for, enables, or even indirectly ‘creates’ other types of delinquency. The following are some elements of this process.

Furtive money

Tax evasion and money laundering share a set of techniques and are carried out through the mediatory role of similar, if not identical, financial operators. Surely, they may entail distinct processes: for instance, the former aims at hiding the existence of legally earned profits, therefore at making it illegal. The latter, on the contrary, involves the transformation of illegally earned profits into legally acquired earnings (UNODCCP, 1998). Tax evasion, in sum, has to minimize the financial success of those performing it, while money laundering has to maximize the sums officially presented as legitimate earnings. It is commonly assumed that the major actors involved are, respectively, legitimate entrepreneurs (tax evasion) and organized crime groups (money laundering), although the former too often find it necessary to hide not just their legitimate, but also their illegitimate earnings. This is the case when they have to disguise or hide money given or received as bribes or kickbacks, or in general when the money spent or earned is associated with illegal market practices. States may also perform money-laundering operations, when they hide financial transactions associated with illegal political practices at the international level (the clandestine financing of friendly parties or allied ruling elites abroad) (Ruggiero, 2015a).

Conventionally divided into three stages, the laundering of money entails, first, the removal of the illicitly-earned profits from the place these have been acquired; second, their layering, namely a series of transactions which conceal their origin; third, their integration in the legitimate financial channels. Virtual banking makes such operations easier than before, offering the opportunity to open anonymous accounts and establish shell business entities. Offshore trusts and companies may act as vehicles through which the funds are moved before reaching the major financial centres.

Regarded as a tabloid-like description of money laundering, the three-staged model has been critically re-examined in its distinct components. The removal of illicitly-earned profits and their 'placement' in the financial system, it is noted, ignores the fact that often the money involved is already in the system when the crime is committed. Insider dealing, illegal payments for contracts, bribes and kickbacks involving politicians and business are examples of how those benefiting from crime find their profits already safely 'placed' in financial circles. As for the stage of 'layering', the assumption that a long series of complex transactions guarantees the proper 'cleaning' of dirty money neglects how simplicity may also offer an effective service (see the cases above). Finally, 'integration', which is supposed to allow criminals to enjoy the proceeds of their acts, overlooks the reality that this stage is frequently indistinguishable from the activity preceding it. In brief, it should be reiterated that the three-staged model may apply to conventional criminal activities such as drugs trafficking, which typically is a cash-generating crime, but it is inadequate when faced with non-cash generative crimes, 'such as bribery, tax evasion, market manipulation, and cyber-crime – crimes which have become much more prevalent since anti-money laundering guidance was first issued over twenty years ago' (Platt, 2015: 27).

Money-laundering legislation across the world, originally designed to fight organized crime, can therefore end up encouraging it. Such legislation revolves around the notion of 'suspicion', whereby financial institutions are required to adopt a risk-based approach in judging the honesty of their customers and report suspected money launderers to the authorities. The finance industry, however, offers criminals a chance to achieve all aims they deem desirable: success in the perpetration of a crime, avoidance of detection, benefit from the crime and retention of it. The process is informed by a number of different 'disconnects' (Platt, 2015: 30). First, the beneficiaries of the crime are disconnected from the act committed if they create a company administered and controlled by a firm. Second, they can transform the cash acquired into costly goods. Third, they can disconnect from the property purchased if they set up a trust company, so that the trustees become the official owners of those properties. Some specific financial services empower criminals to achieve yet further disconnects. These include:

- foundations, officially devoted to charitable purposes, which can manage money from 'donors';
- correspondent accounts, which are kept by one bank on behalf of another and can be used by customers to transfer money in foreign currency;
- shell banks, which hold licences in poorly regulated financial centres;
- loans, which can be repaid using illegal proceeds;
- investment funds, whose ownership may not be registered and can be redeemed to a third party;
- letters of credit, which are used to 'grease the wheels' of international trade and facilitate money laundering, for example, through over invoicing (overstating the price of the goods bought and sold as a means of transferring funds);
- private banks, which offer total discretion.

Mobility and crime

A key variable recurs in the study of conventional organized crime, namely 'mobility', a variable which is also crucial for an understanding of financial crime committed by white-collar offenders. In the fight against criminal organizations, 'mobility' is associated to the ability of offenders to shift from illicit to licit business and enforcement efforts are concentrated on the channels making such a shift smooth. Severing the links between criminal and official entrepreneurs is of paramount importance for this fight, which includes the severance of the links granting criminal proceeds access to the financial world. In the case of white-collar offenders operating in finance, however, severing the links between legitimate and illegitimate practices may be harder, for the reasons tentatively explicated below.

The old 'fraud triangle' posited by Cressey (1950), which identified opportunities, motivations and rationalizations as the enabling factors of white-collar criminality, may well be inadequate for the explanation of contemporary financial delinquency. Granted, tax evasion, corruption and money laundering are performed in local or global contexts in which opportunities for hiding one's resources abound, and where the skills of facilitators may make investigation hard. In general, fraudsters may be motivated in their action by the decreasing availability of legal opportunities, or by a system of rewards based on what is achieved rather than how. The acts performed by fraudsters, moreover, may intensify and expand when social and institutional responses are hesitant or non-existent. Intense pressure in organizations is often cited as a crucial catalyst for fraudulent conduct, although it has also been hypothesized that the enactment of such conduct is hampered by 'a fraud-inhibiting inner voice' (Schuchter and Levi, 2015). Furthermore, research on offenders convicted for financial statement fraud, corruption, bribery, embezzlement and accounting fraud appears to reveal a lack of rationalization, but rather a 'guilty conscience after the crime' (ibid: 184). Contrition after the crime, however, may be the supreme form of manipulation by offenders aimed at tempering the indignation meted out to them, and often does not guarantee desistence from reoffending. Again, a parallel can be drawn with conventional organized crime, when members of mafia-like structures become turncoats only to eliminate competitors and continue, or even escalate, their criminal career (Dino, 2006).

Rationalisations of tax evasion, bribes and money laundering often revolve around the 'iniquitous' nature of the state and its invasive fiscal policies. They are fed by the belief that wealth must freely circulate in order to reproduce itself, and that taxation aimed at funding collective welfare exacerbates the unwillingness of the beneficiaries to fend for themselves through enterprising efforts. Pressure, in its turn, does not only derive from precise organizations or professional enclaves, but also from the general political culture, whereby large-scale offences are tolerated if small-scale ones are treated benignly, in a process leading to the mutual acceptance between different social groups. In this way, the degree of harm respectively caused, which is incommensurable, becomes symbolically equal: those committing small illegalities condone those committing large ones. 'Condemning the condemners' turns into 'condoning the condoners' (Ruggiero, 2000: 122).

Mobility is a crucial variable for the understanding of the types of financial criminality examined here. This variable describes the privileges enjoyed by offenders as well as the object of their offending. Financial offenders are the real 'sans-papiers', as they can freely circulate, undocumented, and cross any border, with the purpose of hiding and valorizing their money. Disadvantage, by contrast, amounts to immobility, namely lack of possibilities to establish geographical and social links. It is this polarization, this substantial asymmetry that creates a climate conducive to tax evasion and money laundering. Wealth includes the ability to multiply one's affiliations and access a variety of social worlds, and is fostered by the resulting expansion of choices offered to mobile individuals and groups. A polarized distribution of mobility means drastic limitations for some, whose efforts to form links and multiply affiliations are impeded. And this impediment is one of the most significant aspects of what we call social exclusion. Mobile individuals and groups, on the contrary, develop opportunities by expanding the circle in which they operate, by entering other circles which intersect with yet others, in a geometrical progression leading to increasing and ever new possibilities.

Inequality, in brief, lies in differences in mobility, hence the power of financial markets and operators: funds are moved at a pace that is unimaginable to other economic spheres, let alone other social groups. Finance and its crimes are embedded in an insatiable process which is portrayed as natural, implying that people themselves are naturally and categorically insatiable (Boltanski and Chiapello, 2005). Insatiability, in turn, borders on crime, and legitimate and illegitimate practices, for this reason, are adjacent, in a continuum which is hard to sever.

Mathematical morality

Money laundering is going viral, an epidemiological metaphor suggesting that a number of financial corrupt practices are amalgamated and meshed in hidden operational circuits where actors from diverse backgrounds meet and cooperate. Looking at what I would term the universe of *money laundering as network*, a peculiar operational logic comes to light.

Financial institutions and money launderers are two entities involved in a game and, let us assume, represent two sets of interests. They are both intelligent and try to outmaneuver each other through choices determined by expected rewards. Money launderers will acquire confidence and even temerity if the payoffs and losses produced by their action are not only acceptable, but desirable. Their behaviour, in sum, is not dictated by law or ethics, but is inspired by a form of mathematical morality associated with the maximum outcomes the game can yield. Applied to military affairs, this 'theory of games of strategy' analyses choice under a system of rewards, with participants who are aware of potential winnings and losses (Williams, 1954). Financial institutions and money launderers, for example, are aware of this zero-sum game, and while bearing in mind the game matrix, namely the rewards and penalties, would normally act with a certain degree of prudence. Supposing the two players pursue antithetical goals, they will be satisfied when both obtain the maximum outcome from their choices. According to this theory, when this is achieved, the game is said to have reached a *saddle-point*, and when the players depart from this point they may suffer unnecessary loss, the situation becomes fluid and someone, anyway, will ultimately suffer.

We can argue that the incorporation of diverse forms of financial delinquency within *money laundering as network* has achieved a saddle-point, allowing all actors involved to obtain the maximum benefit they can achieve within that specific organizational setting. Corrupt officials, organized criminals and financial institutions, in brief, all achieve satisfying results in the network. Of course, some detection will be successful, some charges will be pressed, some bankers or drug traffickers will be punished, but the network as a whole will have achieved what could reasonably and rationally be achieved under the given circumstances. Surely, the apotheosis of accumulation is the final goal and this requires the participation of many operators, irrespective of ethnicity, social origin, occupation and culture: all have to turn their action into capital, or even 'become' capital.

As in all networks, in money laundering people act together to accomplish some desired aim, and they can do so through carefully designed strategies or improvisation, although theirs must always be a coordinated effort (Czarniawska, 2008; Hatch, 2011). In this sense, money laundering appears to be composed of parts and elements (criminals, lawyers, bankers, politicians and entrepreneurs) whose interactions produce outcomes that transcend their specific role and characteristics. 'In other words, a system has properties that cannot be fully known by examining its parts in isolation' (Hatch, 2011: 14). The interactions between the different parties change their singular culture, creating a group identity of varying strength, connecting them through practices, experiences and symbols. It is the opening of cultures to each other that produces change in the network, giving rise to the phenomenon of 'emergence', namely a set of values which cannot be traced back to the original values held by the components of that organization.

Financial crime, here, becomes a kind of administrative behaviour, where decision-making is based on intelligence, design and choice. Alternatives and consequences may be partly unknown, means and ends poorly differentiated, but some choices are more likely than others to approximate the desired result. Working procedures, however, will sooner or later take shape as the most effective way to achieve goals, and these procedures will be based on decisions that participants in the network would not make in their personal life. In a 'Weberian' fashion, decisions will become impersonal, as they possess validity only in relation to the survival and perpetuation of the network itself, rather than merely that of its constituents (Weber, 1978). Ultimately, money laundering, as administrative behaviour, requires a form of loyalty, whereby the perpetrators replace their own aims with the general objectives of the network to which they belong.

Networks and hybridity

The above description postulates a configuration that has attracted intense analytical effort. I am thinking of criminological investigation into networks, which reveals contacts, interactions, cultural proximity and operational partnerships among constituents. Participation in networks does not exclude membership in more structured organizations, but may provide added value in terms of information, mutual aid and criminal opportunities. Research has unearthed networks of drug dealers, identifying core participants and peripheral agents, but also discovering a degree of fluidity leading participants to avoid fixed roles and tasks. Research has also helped clarify how networks affect criminal careers, produce leaderships and adapt to changing markets and law enforcement (Natarajan, 2006; Morselli, 2009). When applied to conventional criminality, network analysis, although at times describing ephemeral or fluid connections, nevertheless depicts relationships among relatively homogenous individuals who are bound together by specific subcultural ties. Similarly, when applied to corporate behaviour, it focuses on interpersonal relationships among influential actors and the way in which norms are forged through interactions between business leaders (Bichler, Schoepfer and Bush, 2015).

In financial crime, however, networks are better understood as informal assemblages made up of ties and nodes through which information is transmitted, knowledge is transferred, ideas are exchanged and constant innovation is produced. What prevails in them is a philosophy motivating a praxis, rather than a culture shaping a life-style. Such networks are characterized by a degree of openness and by loose ties, which may lower trust but increase innovation thanks to the diversity of those involved. While most criminological analysis of networks depicts crystallized configurations or compartmentalized entities, similar analysis applied to the financial world faces open, chaotic and unformed interactions. Those operating in financial delinquent networks enjoy a plurality of memberships and connections and a form of multi-positionality.

They concentrate power, in the sense that the power each person can draw from membership in a specific entity is multiplied, both through multiple memberships and through the personal relationships that ensue (Boltanski, 2014: 251).

The concepts of ‘criminal social capital’ and ‘criminally exploitable ties’, in this respect, can provide additional elements to the analysis (McCarthy and Hagan, 2001; von Lampe, 2016), as they hint at potential resources that can be mobilized in order to enhance the possibility of success and the prediction of outcomes. Some qualifications are necessary, however, particularly in respect of the different identities of those providing such capital and ties.

Money from organized criminal activity, bribes and tax evasion flows in the same pool, in networks that gather individuals from a variety of social and occupational backgrounds. Financial networks imply the existence of consortia of highly heterogeneous groups and individuals, each with a distinctive goal and culture, who may establish common goals on an occasional or long-term basis. Actors operating in them are socially ‘fuzzy’, in the sense that their exploits and careers overlap with those of others who are apparently radically different from them. Financial networks are the reflection of grey areas hosting diverse cultures, identities and motivations, areas in which different activities are carried out, strategies take shape, common interests and points of contact emerge between licit, semi-licit and overtly illicit economies. These are 'dirty economies' consisting of encounters which add to the respective cultural, social and symbolic capital possessed by those inhabiting them, who interlock their practices.

Typically heterogeneous in nature, financial networks provide 'the strength of weak ties' by following the model of a matrix, where each actor is connected to two key partners: one who will help enact the specific operation at hand, the other who will provide the general skills irrespective of the specific operation to be carried out. This model, which is common in engineering, design, and consulting firms, adapts well to changing environments and allows operations to be started and completed with the involvement of a limited number of persons (Hatch and Cunliffe, 2006). Fast and flexible, the matrix model does not require any substantial change in the overall structure of (in our case) the financial institution, and projects can be carried out in isolation from one another, although through an identical philosophical praxis.

Money laundering as network brings to mind the idea of hybridity, namely the mixing, morphing and mimicking that stretch identities and breach boundaries: [H]ybridity is a kind of constant of human interaction and group formation, a meta-datum of what happens through countless crossover processes occurring at many different levels and across the ages' (McLennan, 2016: 151).

Hybrids hosting criminals of all social backgrounds, financial institutions involved in money laundering are particularly resilient, as they absorb anomalies and disturbances, and while undergoing change they retain the same function. Adaptable, they shift notions of risk and responsibility while incorporating new actors and their subculture (DeVerteuil and Golubchikov, 2016). In the speculative philosophy of Whitehead (1978) we find a constant effort to grasp these ideas of hybridity, resilience, persistence and change. For him, stability and innovation, permanence and flux, are mutually implicated, in a process of reciprocal contamination. A symbiosis is reached when different social groups and institutions connect, shift their allegiances and establish new coalitions through negotiation (Schwanen, 2016).

Fields and fuzziness

Conceptual tools such as field and habitus (Bourdieu, 1990; 1993) have slowly entered the criminological arena, offering new perspectives and, at least potentially, a refinement of network analysis (Fleetwood, 2014; Shammas and Sandberg, 2016). As spheres of social action, fields are domains in which actors vie for resources and ultimately domination. They possess their own internal logic that, nevertheless, may be altered thanks to the interactions taking place within them. Agonistic in nature, fields witness battles among individuals and groups acting within their specific boundaries. Such boundaries, however, fail to prevent access to external entities because they 'are themselves an object of struggle, in part determining the degree of autonomy possessed by the field' (Shammas and Sandberg, 2016: 202). The struggle, in its turn, may designate the positions of dominance or subordination actors occupy in the field. By contrast, in the financial crimes addressed here, none of the individuals and groups involved are dominant or subordinate, rather, they act in unison regardless of their specific 'habitus', namely the respective dispositions and the cognitive structures shaped by their social condition (Bourdieu and Wacquant, 1992).

In brief, developments in the financial world may shape new fields and dispositions, but can hardly lead to agonistic configurations. The struggles taking place in finance tend to be neutralized by its being set up as a modern bureaucracy, which makes the employees' definitions of their role uncertain and fuzzy. The separation between units, tasks and specializations tends to fragment responsibility, with employees ignoring (or choosing to ignore) how their duties relate to the general goals of their employers. 'Employees who question the ethical or legal implications of their work are told to carry out their duties and not to worry about things that are the responsibility of top management' (Coleman, 2006: 213).

In the case of *money laundering as network*, therefore, what has to be appreciated is the progressive expansion of the 'field': it is the mere bureaucratic growth of organizations and the multiplication of their members and customers that play a crucial role. This growth causes an increase in practices and experiences within organizations, along with the possible subjective interpretations of rules and procedures guiding them. As a result, and in order to avoid decline in performance, financial institutions are forced to step up coordination and reduce ambiguity (Davidson Reynolds, 2016: 7). This can be done through the introduction of new and more detailed rules, which will create yet more ambiguity and offer increased opportunity for violations. So, the germination of new rules and procedures, which supposedly brings new and more robust formalization, in fact causes an expansion of grey areas where diverse actors can conduct deviant experiments. The 'fields' of finance, ultimately, tend to develop into borderless prairies.

The types of financial crime examined in this article show how two main conceptions of 'status structure' can simultaneously be in place. The elitist conception seems to apply to the upper layers of the financial world, where all factors that define an individual's status are positively correlated and all highly valued characteristics coexist. In this case, the components of the financial world are arranged in a hierarchy. The pluralistic conception, on the other hand, seems to describe a situation in which power centres are numerous, and those wielding power are prepared to negotiate among themselves: financiers, politicians, entrepreneurs and criminals are all invited to the negotiating table.

Conclusion

No other sector of the economy is as hybrid as the financial sector, which is diverse, inclusive and heterogeneous. In finance, boundaries are eroded, polarities collapse, identities mix and a diversity of lifestyles and subcultures are promiscuously pitched together. In this paper, white-collar and organized criminals operating in the financial world have been described as agents adopting the same illegal techniques and rationalizations.

A report by the Tax Justice Network recorded a sharp increase in capital flowing offshore in 2016, a flow promoted by an assemblage of characters such as tax evaders, kleptocrats and conventional criminals (Stewart, 2016). The increase may be the outcome of the timid regulatory measures introduced in the aftermath of the 2008 crisis, with financial operators directing their trade towards shadow institutions, thus implementing what is known as 'regulatory arbitrage', through which financial business is relocated to more favourable geographic areas (Ruggiero, 2015b). This type of 'arbitrage', as I have argued in the pages above, finds in money laundering a natural extension, an expanding network of greed that, while locating crime in favourable geographic regions, incorporates criminals from diverse subcultures and with contrasting CVs.

In marketing theory, 'convenience' refers to the saving of time and effort to reach a goal (Farquhar and Rowley, 2009). In the financial arena it could be understood as a shortcut to profits unhampered by detection and punishment (Yeager, 2016). Financial crime becomes 'convenient' when gains overtake costs, therefore when time and effort are minimized while the goal of acquiring illegitimate profit is reached. If it is not surprising that variables used in commercial strategy also apply to criminal choice (Ruggiero, 2013), it should be stressed that the arena of money laundering makes the distinction between the two redundant. Commerce and crime co-habit in *money laundering as network*, where all are well received, and where white-collar criminals have long acted as 'vanguards', luring conventional criminals into their circles. In these circles, everyone gains instrumentally valuable bits of knowledge (de Bruin, 2015), be they financial operators, tax evaders, corrupt politicians, official entrepreneurs or members of conventional criminal groups. The resulting fuzzy and hybrid actors, in the networks thus constituted, acquire what Bourdieu (2012) would describe as logical conformity, referring to shared views, and moral conformity, referring to shared values.

The study of financial crime is a panacea for critical criminology. First, it allows us to shift the analytical focus from crime as a result of marginalized conditions to crime as the result of affluence and power. In doing so, it encourages the formulation of alternative etiologies that run counter to the conventional wisdom that crime is caused by a social or psychological deficit. Second, it paves the way for the exploration of conduct which is harmful but not criminalized. In this sense, the study of financial crime amounts to the study of the philosophies underpinning economic activity and the institutional policies accompanying it. A crucial, critical aspect of this study, in sum, resides in its transcending the conventional confines of criminological analysis and accessing other fields of knowledge. Third, when prevention of financial crime is addressed, scholars are forced to re-visit notions of social change and collective action that form a large part of classical and contemporary sociological thought. Such notions have been expelled from criminological reasoning as a consequence of conventional criminologists striving for the 'independence' of their discipline. Their re-vitalization will be beneficial to critical analysis. While paying particular attention to preventative and regulatory measures, critical criminology addressing financial crime is compelled to examine (and at times make alliances with) the strategies of groups fighting against it.

Traditional popular culture offers numerous examples of how difficult it is to distinguish between those who accumulate wealth legitimately and those who do so illegitimately. Cervantes (1952) is never sure whether his characters epitomize entrepreneurship or fraud. The heroes of many popular songs possess such fuzzy features that one is never certain whether theirs is a form of criminal honesty or law-abiding criminality. Such popular traditions may provide the ideal backdrop for critical criminologists to explain and challenge financial delinquency.

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